

Indiana Department of Workforce Development Frank O'Bannon, Governor Craig E. Hartzer, Commissioner

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ALL IN A DAY'S WORK.

Helping Hoosiers find jobs, keep jobs and advance in their careers. Helping Indiana companies create new jobs, improve workers' skills and provide opportunities through education and training. These are just a few of the areas the Department of Workforce Development (DWD) works hard at to help our state—and the workforce of our state—remain successful and competitive. No matter how you earn your living, DWD offers support, training, educational opportunities, financial assistance and a multitude of labor-related resources that do more than improve the quality of work, they improve Indiana's quality of life. But to everyone at DWD, it's "all in a day's work."



DEVELOPING A COMPETITIVE WORKFORCE FOR THE FUTURE.

Today we are faced with even greater challenges from an uncertain global economic environment, the tragic events of September 11, and the recession. The year 2001 brought many changes to all of us. In these recessionary times, the significance of the Department of Workforce Development becomes even more apparent. Programs like Skills 2016 reaffirm our commitment to developing the finest workforce for the future—in fields of the future—such as advanced manufacturing, life & health sciences, information technology and other high-tech fields. Other DWD programs will support our unemployed and most vulnerable Hoosiers and reach out to our youth, making sure they have the knowledge and skills it takes to compete in the global marketplace.

You won't find a more effective state in the Union than Indiana when it comes to providing employers and employees alike with the tools to stay competitive in a global economy. In the last five years, we have led the nation in the creation of middle-class jobs, as well as moving individuals from welfare to work. We have been one of the nation's leaders in the growth of high-wage jobs and high-tech jobs. We have successfully raised the bar with our emphasis on the knowledge-based sector without abandoning our foundation of manufacturing and service-based businesses. And one of the constants in all our progress...is the Department of Workforce Development.

Employers, too, have much to gain from DWD programs. Training grants. Continuing education. More qualified and skilled employees. A more customer-friendly Unemployment

Insurance tax system. Recently, our UI program cut the employer tax by 22%. Enhanced online services and added services in the local offices conveniently located around the state makes doing business with DWD easier. These programs ultimately help businesses succeed, keep our economy strong and improve the lives of the citizens of our state.

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—Frank O'Bannon, Governor

"We're more efficient.

We're easier to access.

We've made vast improvements...the end result is a more effective DWD and a stronger Indiana."

—Craig Hartzer, DWD Commissioner

A MORE EFFICIENT, USER-FRIENDLY AGENCY.



The theme of this annual report is "All in a day's work." And in this report,

you'll learn what the essence of our daily work truly is here

at DWD; helping employees gain new skills, continue their education, and improve their earning power; helping unemployed workers through tough transitions as well as helping them find jobs that improve their lives; helping young students discover rewarding careers while at the same time giving them the tools to achieve their dreams; and providing employers with programs that improve their workforce and help them compete in today's global economy.

In 2001, under the strong leadership of Governor O'Bannon, we've made significant strides in improving DWD performance while dealing with the tragedy of September 11 and a recession. We have made vast improvements in getting checks out faster to unemployed Hoosiers and making it easier for employers to pay their taxes, in turn, making our services more friendly, more efficient, and easier for our customers. We are able to handle more cases "in a shorter time frame," allowing more Hoosiers to benefit from our programs. The end result is a more effective DWD, satisfied customers and a stronger Indiana.

Our improvements haven't gone unnoticed, either. In fact, DWD was granted a \$1.3 million award from the U.S. Department of Labor and U.S. Department of Education based upon excellent performance in serving both Hoosier employers and workers. DWD was measured on criteria that included the number of workers that we assisted in obtaining and retaining full-time employment, the number of workers who were certified with transferable skills through DWD programs, and the number of job orders filled for employers.

In coordination with federal efforts to improve the delivery of employment, training, literacy, and vocational rehabilitation services, DWD has undergone a statewide renovation. Through strategic partnerships, DWD has worked hard to make as many of these federal and state services as possible available in a convenient location for both workers and employers—the WorkOne Centers.

Please take a few minutes to learn about all the exciting programs and the number of success stories made possible by everyone in the DWD family—employers, employees, union members, educators, students, local communities and legislators—working together as partners.

UI SYSTEM. INSURANCE IN TIMES OF TRANSITION.

Thanks to improvements under the leadership of Governor O'Bannon and the General Assembly, employers and employees alike have easier access to and receive greater benefits from the Unemployment Insurance system. Unemployed workers are eligible for a maximum weekly benefit of \$312, with another planned increase on the way. At the same time, Unemployment Insurance taxes paid by Hoosier employers are the 12th lowest in the nation, having been reduced by 22%—proof that our UI system is helping Indiana do its best for workers, their families and our businesses.



"Being able to help someone with the will and determination of Lester Cross – as well as what he contributes back to our community – is the best use of tax dollars you will ever see." — Barb Dobson, WorkOne Express —

BETTER DAYS AHEAD.

Lester Cross isn't one to give up. As an unemployed coal miner, he has seen his share of hard times. His wife has Multiple Sclerosis. He has endured cardiovascular problems. And with no job, he was also left without insurance. He knew that finding employment and becoming self-sufficient was the only way to get back on the road to physical, emotional and financial recovery. That's when he visited the WorkOne Express in Princeton.



With the help of the staff at the WorkOne Express, Lester decided that earning a Welding and HVAC certificate would provide him the best opportunity for skilled employment. Shortly into his training, however, it was discovered that he needed angioplasty and he was forced to withdraw. But Lester was not to be denied. After surgery and rehab, Lester returned to school for the Fall semester.

His perseverance paid off when he was one of the first workers hired at GPC in Washington, Indiana. Not only does he enjoy the financial reward and the many benefits, he is equally pleased with his new career. "The WorkOne office helped me through some difficult times," recalls Lester. "They gave me hope and a future to look forward to."

THE AIR PROJECT. HELPING FORMER AIRLINE EMPLOYEES.

September 11 had a tremendous economic ripple effect that greatly disrupted many industries. But perhaps none more than the airline industry, which left thousands of airline employees in central Indiana without jobs. The AIR (Airline Industry Recareerment) project was funded by federal and DWD funds to help Indiana airline employees and their families affected by the airline layoffs. The Department of Workforce Development, in partnership with the Indianapolis Private Industry Council (IPIC) and the AFL/CIO Labor Institute for Training, have assisted dislocated workers with skills training, occupational assessment and other career education to help them move to careers in different industries. The AIR Project allows dislocated workers to go to a single point of contact for recareerment services that include counseling, job placement, classroom training, as well as state-of-the-art computer training labs.

WORKONE. THE ONE PLACE TO GO FOR COMPREHENSIVE SERVICES. WorkOne Centers are the singlesource, one-stop place for Hoosier employers and employees to go for career assistance. The centers offer a variety of workforce-related services and delivery systems in one convenient location. Services include employment and training programs, unemployment insurance, educational and labor market information, veteran services and much more. WorkOne Centers bring employers and employees together through CS3, a state-of-theart computer job-matching system. Also available via the internet, CS3 has been utilized by industries of all sizes, from those that employ thousands to smaller companies employing just a few. There are 28 WorkOne Centers statewide helping Hoosiers everyday find better jobs. Erica Butcher is one of 12 employees recruited for Cook, Inc. through a special job fair held by the Bloomington WorkOne Center. Her skills help produce Cook's innovative Triple A Stent.

A STITCH IN TIME.

"Utilizing the Bloomington
WorkOne Center gave us an
effective, efficient and
innovative way to find qualified
employees. They really became a
valuable partner in the
success of our new product launch."

— Nada Jandrich, Human Resource Director, Cook, Inc.—



Cook, Incorporated in Bloomington, Indiana is a global leader in the design, development and production of medical instruments. They are renowned as innovators in the bio-medical industry. But when they found it difficult to recruit skilled employees to manufacture a new product to be used in heart surgery—the Triple A Stent—Cook looked to their local WorkOne Bloomington center for help. The staff at WorkOne met with Cook representatives and developed a recruitment plan that focused on the fact that typical experience and skills for the new positions did not exist. As Nada Jandrich explained, "Our strategy was to look at others jobs that may require the types of skill needed for the production of this particular product, and we found the individuals who

had sewing, quilting and needlework experience demonstrated the types of intricate skills we were looking for."

WorkOne then hosted a special job fair for Cook. Having defined the skills required for the job, Cook was better able to target the type of employee they needed. The job fair included demonstrations of the production process and the skills needed to perform the job. The end result was over 150 applications and twelve new hires.

Wal-Mart. A company that recognizes value.

When the word on the street was that Wal-Mart was going to build a Distribution Center in the Auburn/Garrett area in northeast Indiana, the local WorkOne staff took the initiative to contact Wal-Mart headquarters via Internet about their various services and how they could help staff the new venture. All this before Wal-Mart even made the announcement! True to Wal-Mart's success, they recognized great service and value when they saw it. Workforce Development programs like CS3 and WorkKeys help companies efficiently and effectively evaluate potential employees, streamlining the hiring process.

Jim Casteel, Wal-Mart's local HR director, worked closely with DWD staff to develop a plan of action, including advertising for positions in local media and processing prospective employees. The result is that more than 6,000 people were exposed to the various services available at DWD, and over 300 Hoosiers became part of the Wal-Mart family.



"We're taking people who have been
entrenched in manual labor
production and converting them to a
digital version of the same work.

It makes us competitive and
keeps our workforce employed."

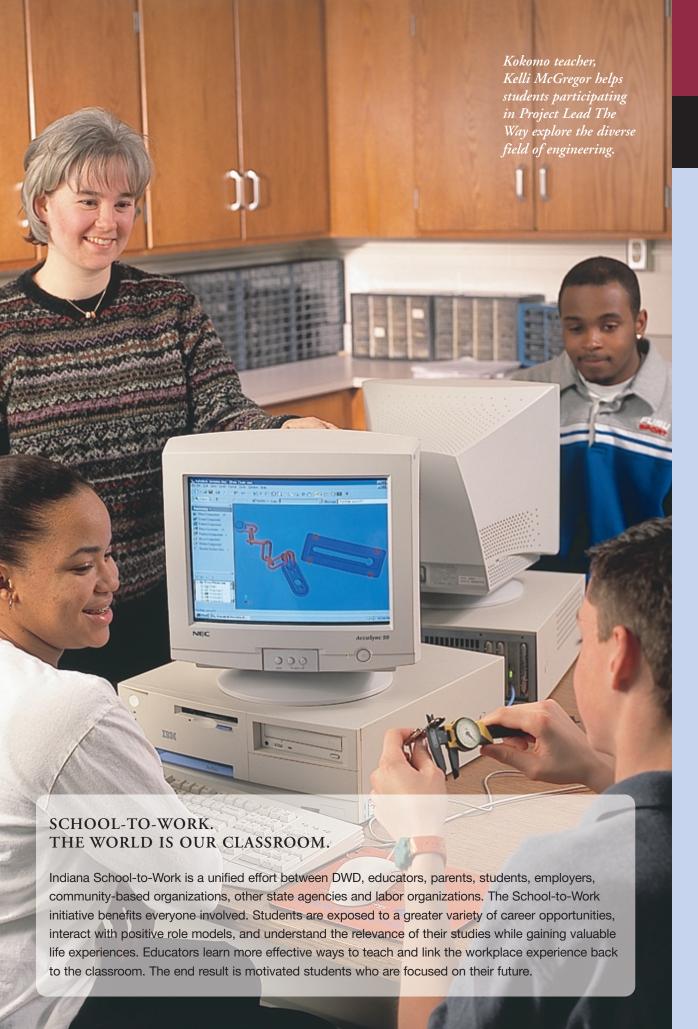
— Paul Vire, owner of DCG, Inc. -



A PROGRAM MAKING A LASTING IMPRESSION.

Ken Johnson is one of 35,000 people employed in the printing business in Indiana, a business that is changing at lightning speed due to the integration of computer art and electronic pre-press technology. As a prepress operator, the skills Ken has utilized over the years are becoming obsolete as more printing companies make digital conversions in order to stay competitive and meet the demands of the industry. Ken, too, needed to adapt in order to stay in his chosen career.

Thanks to a Regional Skills Alliance Grant awarded by the Department of Workforce Development, prepress operators like Ken are receiving on-the-job, electronic prepress training and will earn a Print Imaging Skills Curriculum certificate from the Graphic Arts Technical Foundation. More importantly, prepress operators like Ken will have the skills necessary to move forward in printing careers. "This is a revolution in the prepress business made possible by our partnership with DWD," says Paul Vire, owner of DCG, Inc., one of the printing companies participating in the training grant. For Ken Johnson, it's a revolution of which he can now be a part.



ENGINEERING SUCCESSES FOR THE FUTURE.

Student engagement in learning is more important than ever in today's knowledge-based society. That's why Kokomo High School—in cooperation with Kokomo Area Career Center, Purdue University and Delphi/Delco Electronics—introduced Project Lead the Way (PLTW), a pre-engineering program that engages students in a rigorous math, science and technology rich curriculum. PLTW strengthens traditional academic programs by incorporating real-world, hands-on learning experiences.

"PLTW allows students to see how education applies to the professional world," says James Little, PLTW Director at Kokomo Area Career Center. "Not only do students experience hands-on learning—including design, machining and analysis—but they also get to see the business and financial side of the business as well."

Kokomo is one of 39 high schools and middle schools in Indiana participating in the PLTW programs through grants from DWD using federal School-to-Work funds. Students receive "real-world" engineering experience including courses in Engineering Design, Digital Electronics, Computer Integrated Manufacturing and others. The curriculum is based on math, science and technology concepts that are taught in a project-based, hands-on approach that students enjoy.

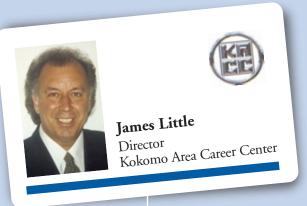
Next year, Kokomo middle schools will introduce the PLTW

Gateway to Technology course.

The purpose of this middle school curriculum is to expose students to a broad overview of the field of technology and its related processes. Because engineers use mathematics, science, and technology to solve problems, the course has been designed to be "activity oriented."

Both high school and middle school teachers must pass a rigorous math test and undergo a rigorous two-week training session. This year, training will be available in Indiana at Purdue University - Kokomo.

"Everyone in the PLTW partnership wins," adds Little. "Students benefit from career exploration, local industry builds interest in engineering, colleges benefit from increased engineering enrollment and the state ultimately benefits from a strong, educated workforce."



"PLTW

is a program that

truly benefits everyone—

students, teachers, universities,

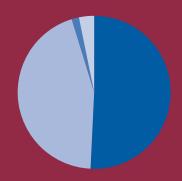
and Indiana businesses.

That's pretty impressive."

—James Little Director, Kokomo Area Career Center

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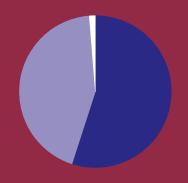
DWD 2001 FINANCIAL OVERVIEW



Workforce Development Resources

Labor Market Information (Bureau of Labor Statistics)	\$1,633,204
■ Employment Services	\$1,431,680
Common Construction Wage	\$49,220
■ Labor Certification (Alien Labor Certification,	\$103,344
Migrant Seasonal Farm Workers)	

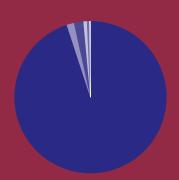
Total \$3,217,448



Workforce Investment Act

WIA Youth Title I	\$13,604,901
■ WIA Adult Title I	\$10,825,762
■ Work Opportunity Tax Credit	\$314,785

Total \$24,745,448



Work to Work

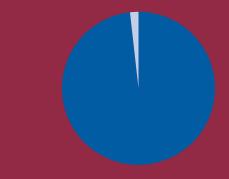
Transitions/Administration	φ041,073,030
■ Dislocated Workers	\$10,682,428
Job Matching Services	\$13,491,014
■ Penalty & Interest	\$5,000,000
■ Veterans' Services	\$3,517,000
■ Trade Act Programs (<1%)	\$1,322,000

Total \$675,687,472

Additional Training Dollars

Incumbent Worker Training	\$4,796,099
and WDF Funds	

Total \$4,796,099



Vocational & Technical Education

Vocational Education/Tech Prep	\$27,252,049
State Technical Education Funds	\$494,923

Total \$27,746,972

Many of these programs are funded by a combination of state and federal funds measured by varying fiscal and calendar years. These figures are adjusted to reflect appropriations received during the calendar year 2001. Fiscal year funds may have been allocated, but not yet spent. DWD receives 98.7% of its funding from the federal government and 1.3% from the state.